

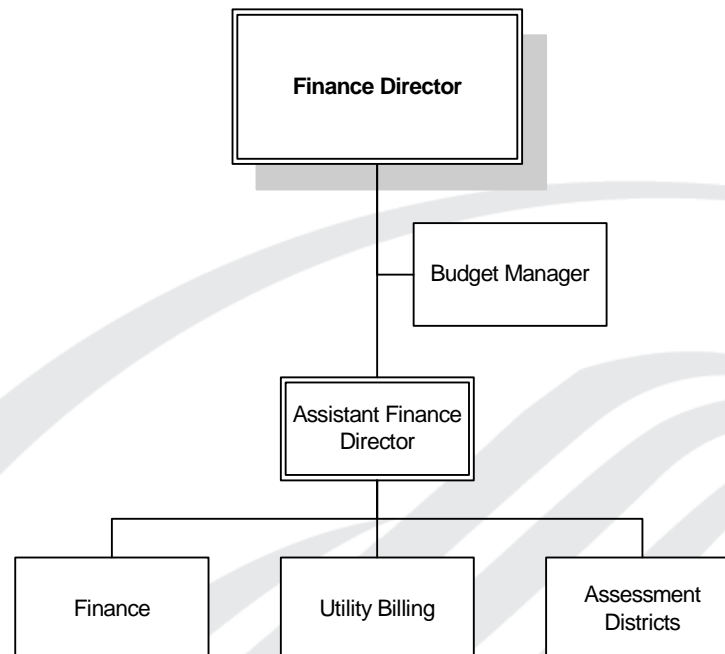
Finance

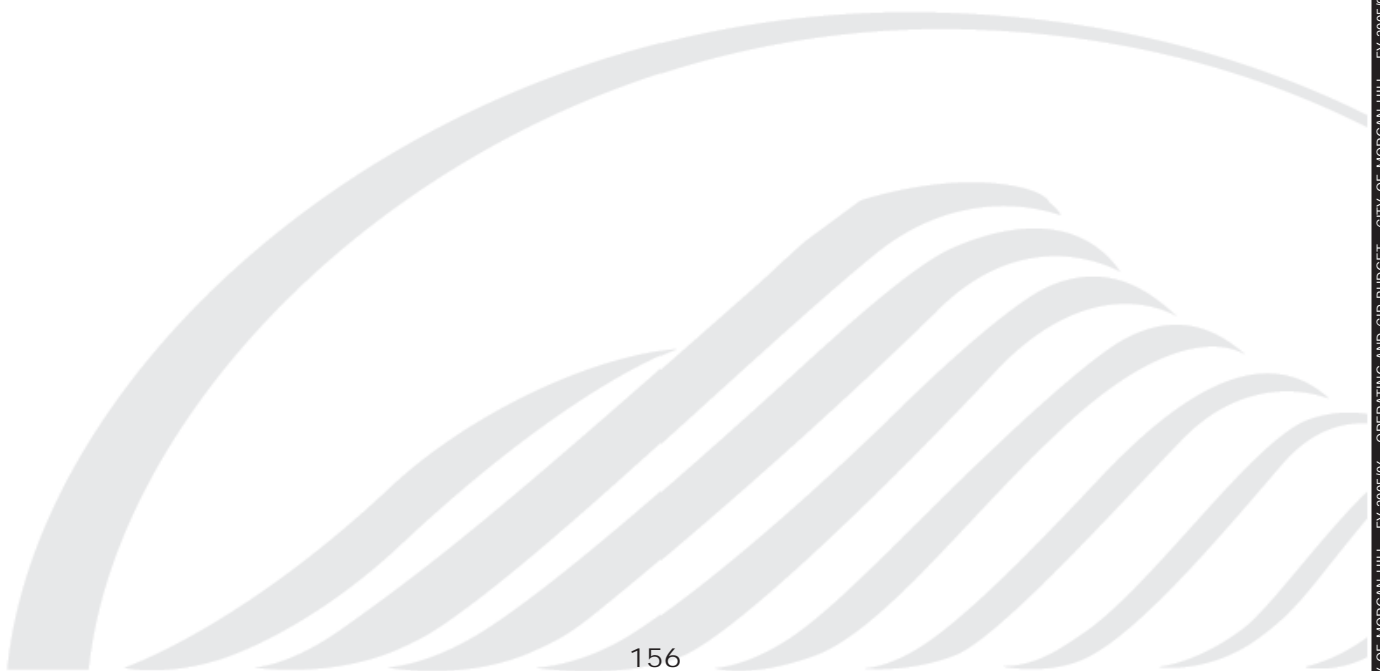
[010-2510] [650-5750]

Appropriations Summary

	02/03 Actuals	03/04 Actuals	04/05 Current Budget	04/05 Estimated Actuals	05/06 Adopted Budget
Salaries	844,614	917,899	991,209	960,768	1,048,585
Supplies & Services	198,386	204,426	229,844	224,128	280,661
Capital Outlay	89,329	-	-	-	10,000
Debt Services	138,393	-	-	-	-
Internal Service	129,943	138,311	98,555	100,501	103,814
Transfers Out	-	-	-	-	-
Project Expenditure	-	-	-	-	-
TOTAL BY CATEGORY	1,400,664	1,260,637	1,319,608	1,285,397	1,443,060

010	2510	FINANCE	1,005,030	906,204	927,325	882,264	982,085
650	5750	UTILITY BILLING	395,634	354,433	392,283	403,133	460,975
		TOTAL BY PROGRAM	1,400,664	1,260,637	1,319,608	1,285,397	1,443,060





[010-2510] Finance

ACTIVITY DESCRIPTION

The Finance Department maintains the financial records of the City and prepares financial and statistical data applicable to all funds of the City and Redevelopment Agency (RDA). Responsibilities include cash management; investment; budgeting; financial forecasting; accounting; cashiering operations; business license administration; debt service management; payroll; purchasing; payables; receivables (including billing and collection of City accounts); providing financial system information and support to other departments; and risk management.

The Finance Department works closely with the City Treasurer to assure timely and appropriate investment of City funds, in compliance with the City's Investment Policy; to implement efficient cash management procedures to minimize idle cash holdings; to maintain banking relationships for City business; and to address financial issues related to the concerns of the Finance Policy Committee.

FY 2004/05 HIGHLIGHTS

- The City continued to receive awards from the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) for achieving the highest standards in governmental accounting and financial reporting for our FY 2003/04 Comprehensive Annual Financial Report.
- For the second consecutive year in City history, we received the GFOA award for excellence in budgeting for our FY2004/05 budget.
- Conducted internal customer service study in the areas of payroll, accounts payables and purchase order processing with all city departments.
- Assisted the Recreation Division with the financial operations aspect of opening the Aquatics Center.
- Implemented a job-share position with Recreation to reduce citywide staffing costs.
- Completed a \$7,395,000 Police Bond and \$7,740,000 Water CIP Revenue Bond.
- Successfully refinanced an existing Madrone Assessment District Bond
- Completed the upgrade/conversion of the city's finance management system (Eden).
- Update administrative policy on purchasing and provide information to departments on changes and implementation of revised purchasing ordinance.

FY 2005/06 WORKPLAN

- Conduct banking services request for proposal (RFP) process and select a bank for a new five year period.
- Work with Financial Policy Committee to develop recommendations to be implemented after the Sustainable Budget has been achieved.
- Evaluate external customer service quality in the areas of utility billing, business licensing, accounts payable and purchase order processing.
- Conduct comprehensive physical inventory of fixed assets.
- Conduct cost allocation study
- Engage in a community conversation regarding: 1) City service levels desired by the public; 2) education of the public about the City's financial position; and 3) the public's willingness to pay new fees, assessments, or taxes for existing service levels and/or expanded service levels. The goal would be to bring a ballot measure to the voters for the November 2006 election if sufficient support exists.

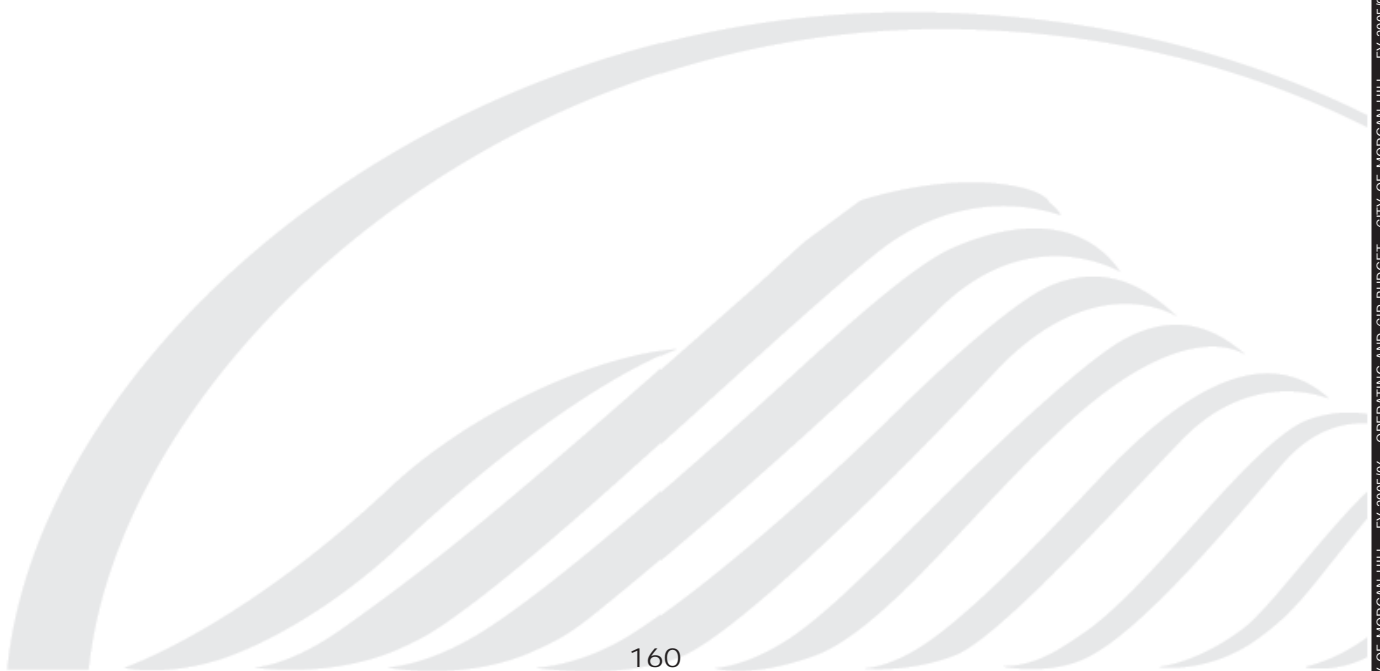
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The FY 2005/06 budget for Finance includes a one time \$30,000 cost for conducting a cost allocation study to maintain integrity of the City's cost allocation program.

	FY 03/04	FY 04/05	FY 05/06
<u>PERFORMANCE MEASURES</u>	<u>ACTUAL</u>	<u>PROJ</u>	<u>GOAL</u>
• Number of invoices processed	13,885	12,800	13,000
• % of invoices paid by due date	91%	87 %	90 %
• Average time to process an invoice	7.71 minutes	8.44	8.30

[010-2510] Finance

Acct	Description	02/03 Actuals	03/04 Actuals	04/05 Current Budget	04/05 Estimated Actual	05/06 Adopted Budget
41100	SALARIES - GENERAL	504,007	504,368	550,556	510,979	557,405
41210	SALARIES - ELECTED/APPOINTED	2,409	2,419	2,400	2,400	2,400
41270	SALARIES - PART-TIME	43,507	41,683	-	41,497	-
41320	SALARIES - OTHER PAYOUT	8,449	13,729	13,000	13,000	13,000
41490	OVERTIME - GENERAL	180	1,601	-	3,000	4,500
41560	UNEMPLOYMENT INSURANCE	45	844	2,088	1,202	2,183
41620	RETIREMENT - GENERAL	21,454	35,331	66,590	59,902	91,659
41690	DEFERRED COMPENSATION	11,163	12,429	10,537	11,929	14,074
41700	GROUP INSURANCE	47,781	56,715	68,558	51,965	61,572
41701	MEDICARE	6,524	6,265	7,983	5,758	8,082
41730	INCOME PROTECTION INS	8,288	8,539	6,366	6,733	6,359
41760	WORKERS COMP	13,041	16,552	22,201	20,882	22,434
41799	BENEFITS	1,927	1,935	-	1,701	-
<<EMPLOYEE SERVICES>>		668,776	702,409	750,279	730,948	783,668
42214	TELEPHONE	8,062	6,742	8,500	5,750	5,920
42231	CONTRACT SERVICES	39,695	31,598	46,560	35,240	70,000
42233	AUDIT FEES	16,198	12,460	15,000	12,950	15,600
42236	BANK CARD SERVICE FEES	21,933	40,635	5,600	850	850
42244	STATIONERY & OFFICE SUPPLIES	17,127	22,236	20,615	20,615	20,615
42245	COMPUTER HARDWARE-NON CAPITAL	-	298	5,500	5,500	10,000
42248	OTHER SUPPLIES	300	30	-	125	-
42250	ADVERTISING	1,497	389	500	850	850
42252	PHOTOCOPYING	101	1,160	1,750	953	950
42254	POSTAGE & FREIGHT	7,625	6,938	8,000	6,135	7,000
42257	PRINTING	4,883	1,080	4,700	3,000	3,500
42261	AUTO MILEAGE	253	169	300	300	300
42408	TRAINING & EDUCATION	2,419	574	4,000	4,000	4,000
42415	CONFERENCE & MEETINGS	2,798	1,050	4,000	1,500	3,000
42423	MEMBERSHIP & DUES	625	840	900	900	900
42435	SUBSCRIPTION & PUBLICATIONS	482	490	500	700	500
42526	MAINT - AUTO/TRUCKS	-	-	-	-	-
42531	MAINT - FURNITURE/OFFICE EQUIP	1,515	280	150	150	150
<<SUPPLIES & SERVICES>>		125,514	126,967	126,575	99,518	144,135
44994	LEASE PAYMENTS	138,288	-	-	-	-
<<DEBT SERVICE>>		138,288	-	-	-	-
45003	GENERAL LIABILITY INSURANCE	7,878	5,579	3,520	4,847	2,973
45004	BLDG MAINT SERVICES	40,381	55,594	33,185	33,185	36,158
45009	I.S. SERVICES	24,193	15,655	13,766	13,766	15,151
<<INTERNAL SERVICES>>		72,453	76,828	50,471	51,798	54,282
2510 - FINANCE		1,005,030	906,204	927,325	882,264	982,085



[illegible]

The Utility Billing Division is responsible for the monthly billing of fees for water and sewer services. With a customer base of more than 12,000 users, the Division continues to emphasize customer service, assisting customers with opening and closing accounts, assisting customers at the counter with payments and questions, providing customer service on the telephone to answer questions regarding account status and accepting credit card payments. Utility Billing staff also responds to general Finance inquiries and refer City customers to appropriate departments.

- Continued to market and expand the direct pay payment option for customers to pay utility costs electronically.
- Processes reviewed and work flow refined for efficiencies and improved customer service with reduced staffing levels
- Audit of customer accounts for appropriate billing rates and customer classifications within the software.

- Review cash receipt process for maximum efficiency and time savings and make recommendations for improvements.

The Utility Billing Division falls within the responsibility of the Finance Department and is funded by water and sewer utility user fees.

	FY 03/04	FY 04/05	FY 05/06
<u>PERFORMANCE MEASURES</u>	<u>ACTUAL</u>	<u>PROJ</u>	<u>GOAL</u>
• Staff hours per year processing utility bills	4,168	6,454	6,454
• Regular utility bills processed per year	134,510	153,734	164,495
• Percent of bills sent out error free	96.9%	97.1%	97.9%
• Average time to process a regular bill account	1.87 minutes	2.52	2.35

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45003	GENERAL LIABILITY INSURANCE	2,752	2,473	1,643	2,262	1,399
45004	BLDG MAINT SERVICES	15,141	20,843	12,442	12,442	13,557
45009	I.S. SERVICES	10,752	6,958	6,118	6,118	6,734
45010	GF ADMIN	28,846	31,209	27,881	27,881	27,842
	<<INTERNAL SERVICES>>	57,490	61,483	48,084	48,703	49,532
	5750 - UTILITY BILLING	395,634	354,433	392,283	403,133	460,975